

Rulemaking (R.) 20-07-013 Phase I Track 2

Technical Working Group (TWG) Meeting #2

May 4, 2021

9:30 AM - 3:30 PM



California Public
Utilities Commission

INTRODUCTIONS, SCHEDULE & PURPOSE OF THE MEETING

Purpose of Meeting

Address clarifying questions from the TWG members

on the Safety Policy Division (SPD) staff (Staff) Draft Staff Proposal on the Phase I Track 2 safety and operational performance metrics issues outlined in the November 02, 2020 Assigned Commissioner's Scoping and Ruling (Scoping Memo) issued in the Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities (R.20-07-013)

Schedule for Upcoming Activities in R.20-07-013

- April 25th Sent out Phase I Track 2 Draft Staff Proposal to Technical Working Group (TWG)
- April 30th Sent out Phase I Track 1 Draft Staff Memo to TWG
- May 6th TWG Meeting to discuss Phase I Track 1 Draft Staff Memo
- May 7th TWG informal written comments on Phase I Track 1 PG&E's Proposal on Transparency Guidelines
- May 10th TWG informal written comments on Phase I Track 2 Draft Staff Proposal
- End of May, Ruling Staff Recommendations Report on Phase I Track 1 and Track 2 for party comments
- Party Opening Comments on Ruling Mid – End of June
- Party Reply Comments on Ruling Late June – Early July
- August 6th Proposed Decision (PD) on Phase I Track 1 & Track 2 Issues
- August 26th Party Opening Comments on PD
- August 31st Party Reply Comments on PD

AGENDA ITEM	TIME
Introductions, Schedule & Purpose of the Meeting	9:30 – 10:00 am
Overview of the Draft Staff Proposal <ul style="list-style-type: none"> ▪ Part I of Draft Staff Proposal SOMs as Triggering Events in PG&E's Enhanced Oversight and Enforcement Process approved in D.20-05-053 on PG&E's post-bankruptcy reorganization plan ▪ Part II of Draft Staff Proposal Modifications of Adopted SPMs (Electric overhead conductor metrics, initially developed by the Safety Model Assessment Proceeding (S-MAP) Technical working group, pursuant to D.19-04-020) (~20 min per topic, including Q & A) 	10:00 – 10:50 am
Break	10:50 – 11:00 am
Session 1: Q & A on Draft Staff Proposal Worker Safety Related SOMs & Modifications to SPMs	11:00 – 11:45 am
Session 2: Q & A on Draft Staff Proposal Natural Gas System Related SOMs & Modifications to SPMs	11:45 am – 12:30 pm
Lunch Break	12:30 – 1:00 pm

AGENDA ITEM		TIME
Session 3:	Q & A on Draft Staff Proposal Electric System Related SOMs & Modifications to SPMs Wires-Down & Ignitions	1:00 – 1:45 pm
Session 4:	Q & A on Draft Staff Proposal Electric System Related SOMs & Modifications to SPMs Inspections & Compliance	1:45 – 2:20 pm
Break		2:20 – 2:30 pm
Session 5:	Q & A on Draft Staff Proposal Reliability Related SOMs	2:30 – 2:45 pm
Session 6:	Q & A on Draft Staff Proposed Quality of Service & Management, Affordability, and Clean Energy Goals Related Metrics	2:45 – 3:00 pm
Discussion & Next Steps		3:00 – 3:30 pm

OVERVIEW OF DRAFT STAFF PROPOSAL

Overview of the Draft Staff Proposal
Addressing the November 02, 2020 Scoping Memo Issues

Objective of the Draft Staff Proposal

- Address Phase I Track 2 Issues
 - considers safety, operational, and performance metrics and their broad application, including refining the safety performance metrics (SPMs) adopted in Decision (D.) 19-04-020, and developing new metrics as needed,
 - developing of Safety and Operational Metrics (SOMs) for Pacific Gas and Electric Company's (PG&E) Enhanced Oversight and Enforcement Process, approved in D.20-05-053, and
 - recommend electric overhead conductor metrics, which were under development by the Safety Model Assessment Proceeding (S-MAP) Technical working group, pursuant to D.19-04-020.

Status on Phase I Track 2

- November 17, 2020 Assigned Commissioner Ruling (ACR) directed PG&E to:
 - develop SOMs, suitable for use as triggering events as specified in the Enhanced Oversight and Enforcement process, and
 - exclude electric overhead conductor metrics from its proposed SOMs, because these metrics were under development by the Safety Model Assessment Proceeding (S-MAP) Technical working group, pursuant to D.19-04-020.
- PG&E proposed its 12 SOMs, filed on January 15, 2021.
- Parties to the proceeding submitted multiple rounds of comments and reply comments.

Overview of Draft Staff Proposal

- Part I of Draft Staff Proposal:
SOMs as Triggering Events in PG&E's Enhanced Oversight and Enforcement Process approved in D.20-05-053 on PG&E's post-bankruptcy reorganization plan
- Part II of Draft Staff Proposal:
Modifications of Adopted SPMs
Electric overhead conductor metrics, initially developed by the Safety Model Assessment Proceeding (S-MAP) Technical working group, pursuant to D.19-04-020

Issues/Questions for Further Consideration

- Availability of historical data on SOMs
- Aligning existing reporting requirements with Staff proposed reporting on safety and operational metrics (SOMs)
- Aligning performance metrics' names and definitions currently reported to the California Public Utilities Commission with Staff proposed SOMs
- Aligning the names and definitions of Staff recommended modification to the adopted SPMs in D.19-04-020, with Staff proposed SOMs
- What metrics could be appropriate for Clean Energy Goals for the purpose of SOMs?

Part I: SOMs as Triggering Events in PG&E's Enhanced Oversight and Enforcement Process

Selection and Evaluation of SOMs, Categories of Proposed SOMs & Reporting Requirements

Criteria for SOMs Selection

- **Must be suitable for use as Triggering Events as specified in the Enhanced Oversight and Enforcement process approved in D. 20-05-053 on PG&E's post-bankruptcy reorganization plan**
- **Should be suitable, over time, for the Commission, intervenors, and the public to gauge the safety and operational performance of all gas and electric IOUs**
- Outcome-based
- Objective
- Defined clearly
- Auditable & enforceable (verifiable and consistently measurable over time)
- Preferably leading indicators

How to handle overlap with other Triggers?

5.1.7. Safety and Operational Metrics

ACR Proposal 7 calls for the development of safety and operational metrics. Under this proposal, PG&E would propose, in an appropriate proceeding, “[A]ttainable Safety and Operational Metrics that, if achieved, would ensure that PG&E provides safe, reliable and affordable service consistent with California’s clean energy goals.” Because these metrics would be developed in a future proceeding, we do not finalize them here, but rather provide guidance and direction for their development.

SOMs are intended to serve as “Enhanced Oversight and Enforcement” triggers

Step 1: “PG&E fails to comply with, or has shown insufficient progress toward, any of the metrics...contained within the approved **Safety and Operational Metrics**...” the Commission may order PG&E into Step 1 of the EOE process. (p. 2 of Appendix A).

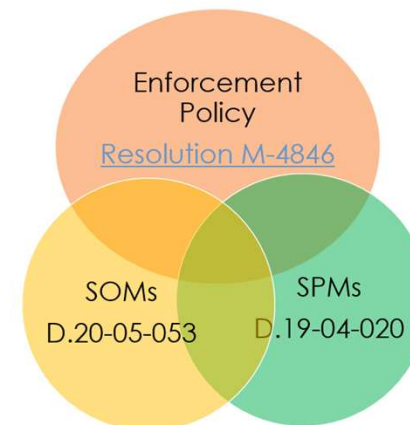
Step 2: “PG&E fails to comply with electric reliability performance metrics, including standards to be developed for intentional de-energization events (i.e., PSPS) and any that may be contained within the approved **Safety and Operational Metrics**” (p. 3 of Appendix A).

Step 3: “The Commission determines that additional enforcement is necessary because of PG&E’s systemic non-compliance or poor performance with its **Safety and Operational Metrics** over an extended period.” (p.5 of Appendix A and .)

Other Step 1 triggers

- Failure to obtain an approved WMP
- Failure to comply with or show insufficient progress towards any metrics...
 - set forth in WMPs
 - PSPS protocols
 - resulting from Safety Culture Investigation
 - **contained in the approved SOMs**
 - related to other specified safety performance goals
- Insufficient progress toward approved safety or risk-driven investments
- Failure to comply with the requirements for emergence from bankruptcy

SPMs, SOMs, and Enforcement Policy



“Indicator Light” Approach

- By design, SOMs are going to be redundant with other enforcement activities.
- We want that redundancy to be beneficial and foster cross-divisional collaboration.



Recommendations for Ensuring SOMs are Flexible Enforcement Tool for CPUC

What should PG&E Submit?

- All available historical data for each metric
- Proposed goals for subsequent year and five-year goal (failure to reach goal would not be automatic Triggering Event)
- PG&E would describe their own progress and actions underway to improve performance on each SOM
- Narrative description of any substantial deviation on metrics from prior trends
- Narrative explanation of any failure to meet goals

Recommendations for Ensuring SOMs are Flexible Enforcement Tool for CPUC

How Often Should PG&E Submit SOMs?

- Draft staff proposal recommends annual reporting that would be sent to appropriate service lists and prominently posted on CPUC website.
- More frequent reporting related to corrective actions in the event of Triggering Event.

SOMs Should be Treated the Same as other Triggers

- Staff would analyze data, trends, facts, and circumstances and make recommendation to Commission if Triggering Event under EOE Process is warranted.
- Parties would comment on proposed resolution and any resulting corrective action.

Part II: Modifications of Adopted SPMs

Electric overhead conductor metrics, initially developed by the Safety Model Assessment Proceeding (S-MAP) Technical working group, pursuant to D.19-04-020

History of Safety Performance Metrics Development

- Scoping Ruling in 1st S-MAP (A.15-05-002 et al) envisioned safety performance metrics would be developed to “measure the safety improvements achieved by the utilities.”¹
- Technical Working Group was created to develop candidate safety metrics.
- D.19-04-020 adopted original set of twenty-six safety performance metrics.
- D.19-04-020 did not adopt the Electric Overhead Conductor Index (EOCI) metric because some parties objected to using an index.

¹ A.15-05-0002, *Scoping Memo and Ruling of Assigned Commissioner*, at 7. Available here: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M154/K291/154291137.PDF>

- D.19-04-020 directed the IOUs to submit metrics to the TWG for use in a revised EOCl.
- SED staff (now RASA Section staff in Safety Policy Division) reconvened the TWG in 2019 to develop an updated EOCl and to develop additional safety performance metrics as feasible.
- IOUs submitted proposed metrics for EOCl to TWG.
- TWG meetings were held to discuss proposals, informal comments and informal reply comments were submitted by parties.
- Alternative proposals were submitted to TWG by parties, more informal comments and informal reply comments. Total over 40 proposed new metrics.
- SPD staff selected 18 out of the 40+ originally proposed in final staff proposal.



Questions?

BREAK 10:50 – 11:00 AM

SESSION 1: Q & A

WORKER SAFETY RELATED SOMS

Draft Staff Proposal: Work Safety Related SOMs & Modifications to SPMs

Session 1: Q & A

Worker Safety Related SOMs & Modifications to SPMs

- Refer to Part 1, Section 3, Pages 26-33 of the Draft Staff Proposal
- Allotted time: 11:00 – 11:45 AM

SESSION 2: Q & A NATURAL GAS SYSTEM

Q&A on Draft Staff Proposal:

Natural Gas System Related SOMs & Modifications to SPMs

Session 2: Q & A

Natural Gas System Related SOMs & Modifications to SPMs

- Refer to Part 1, Section 6, Pages 57-63 of the Draft Staff Proposal
- Allotted time: 11:45 AM – 12:30 PM

LUNCH BREAK 12:30 - 1:00 PM

SESSION 3: Q & A

ELECTRIC SYSTEM: WIRES-DOWN & IGNITIONS

Draft Staff Proposal:

Electric System Related SOMs & Modifications to SPMs: Wires-Down & Ignitions

Session 3: Q & A

Electric System Related SOMs & Modifications to SPMs: Wires-Down & Ignitions

- Refer to Part 1, Section 5, Pages 47-51 & 54-56 of the Draft Staff Proposal
- Allotted time: 1:00 – 1:45 AM

SESSION 4: Q & A

ELECTRIC SYSTEM: INSPECTIONS & COMPLIANCE

Draft Staff Proposal:

Electric System Related SOMs & Modifications to SPMs: Inspections & Compliance

Session 4: Q & A

Electric System Related SOMs & Modifications to SPMs: Inspections & Compliance

- Refer to Part 1, Section 5, Pages 47-48 & 51-53 of the Draft Staff Proposal
- Allotted time: 1:45 – 2:20 PM

BREAK 2:20 – 2:30 PM

SESSION 5: Q & A RELIABILITY RELATED SOMS

Draft Staff Proposal

Session 5: Q & A

Reliability Related SOMs

- Refer to Part 1, Section 4, Pages 34-46 of the Draft Staff Proposal
- Allotted time: 2:30 – 2:45 PM

SESSION 6: Q & A QUALITY OF SERVICE & MANAGEMENT, AFFORDABILITY, AND CLEAN ENERGY GOALS RELATED METRICS

Draft Staff Proposal

Session 6: Q & A

Quality of Service & Management, Affordability, and Clean Energy Goals Related Metrics

- Refer to Part 1, Section 7, Pages 64-74 of the Draft Proposal
- Allotted time: 2:45 – 3:00 PM

DISCUSSION & NEXT STEPS

Schedule for Upcoming Activities in R.20-07-013

- May 6th TWG Meeting to discuss Phase I Track 1 Draft Staff Memo
- May 7th TWG informal written comments on Phase I Track 1 PG&E's Proposal on Transparency Guidelines
- May 10th TWG informal written comments on Phase I Track 2 Draft Staff Proposal
- End of May, Ruling Staff Recommendations Report on Phase I Track 1 and Track 2 for party comments

THANK YOU